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MAY 16 1972

Canadian Pacific Investments Limited

Proceedings
at the
Annual Meeting
of Shareholders
Monday,
April 24, 1972

The Palliser Hotel
Calgary
Alberta

**Canadian Pacific Investments Limited
Montreal, Canada**

The following is a summary of the business transacted at the Annual Meeting of Shareholders held at Calgary, Alberta, on April 24, 1972.

Mr. Ian D. Sinclair, Chairman of the Company, presided at the meeting and Mr. J. C. Ames, Secretary of the Company, acted as secretary.

After notice of the meeting had been read and Report of Scrutineers as to a quorum had been received, the Chairman declared the meeting to be regularly called and properly constituted for the transaction of business.

Minutes of the last Annual Meeting of Shareholders held on April 26, 1971 were confirmed.

The Auditors' Report to the Shareholders having been read, the Chairman, on behalf of the Directors, placed before the meeting Report of the Directors, accompanying Consolidated Financial Statements and Report of the Auditors thereon for the year ended December 31, 1971.

The President, The Hon. Duff Roblin, P.C., C.C., then addressed the meeting as set out in this booklet, beginning at page 4.

The Secretary read By-law No. 11, enacted by the Directors on March 21st, 1972, which By-law was then sanctioned and confirmed by the Shareholders as a By-law of the Company.

The following were duly elected as Directors of the Company to hold office until the next Annual Meeting of Shareholders:

W. A. Arbuckle

F. S. Burbidge

A. M. Campbell

R. Hendricks

S. E. Nixon

H. M. Pickard

Hon. Duff Roblin, P.C., C.C.

Ian D. Sinclair

G. J. van den Berg

Price Waterhouse & Co. were appointed Auditors for the ensuing year and the Board of Directors was authorized to fix the remuneration to be paid to the Auditors.

In reply to questions, the shareholders were informed that: royalty rates on oil and gas properties of subsidiary companies approximate the general average in the industry; it is the intention of the Company to list the Common Shares on the Montreal, Toronto and Vancouver Stock Exchanges as soon as the number of shares in the hands of the general public increases to the point where such listing is warranted.

The meeting then terminated.

*After the shareholders' meeting, the Directors met and elected
Officers of the Company and the Executive Committee
as follows:*

Officers of the Company

ian D. Sinclair, Chairman of the Company and
Chief Executive Officer

Hon. Duff Roblin, P.C., C.C., President

H. M. Pickard, Executive Vice-President

G. J. van den Berg, Vice-President, Investments

The Executive Committee

W. A. Arbuckle

F. S. Burbidge

A. M. Campbell

Hon. Duff Roblin, P.C., C.C.

ian D. Sinclair

Text of address by the President, The Hon. Duff Roblin, P.C., C.C., to the Annual Meeting of Shareholders at Calgary, Alberta, April 24, 1972.

Mr. Chairman, ladies and gentlemen:

On behalf of the directors of Canadian Pacific Investments Limited, I have much pleasure in greeting this audience at the tenth annual general meeting of our company. Before I come to the customary report on the results of the first quarter operations for 1972 and my comments on the prospects of the company for the current year as a whole, there are two observations I should like to make.

The first of these concerns Mr. Norris R. Crump, C.C. who, as some of you will know, has announced his intention to retire as a director of CPI. It was under the leadership of Buck Crump that the decision was made to constitute this company as a separate corporate entity in order to give more specialized and concentrated attention to the development and expansion of the natural resources and other important non-transportation assets of the CP group. Mr. Crump was the first chairman and chief executive officer of the company and has presided over the important new directions established by CPI. His mature judgement has been a most important asset in the formulation of new policies by the board. His sound guidance has been a continual stimulation to officers and staff. As Mr. Crump intends to make his new home in Calgary, it is especially gratifying to be able to pay a warm and heartfelt tribute to him in this city.

This brings me to my second point. This is the first time that an annual general meeting of the company has been held outside Montreal, and it is fitting that on this occasion we should choose to meet in Calgary, as an important part of our enterprise, particularly in oil, gas, coal, real estate and hotels, is physically situated in the Province of Alberta. The company desires the understanding and the support of Albertans. We believe we are making an important contribution to the growth and development of the province. It is our firm policy to cooperate to the best of our ability with the government and the people of Alberta in the operation of our interests here.

A study of the annual report for 1971 discloses a period in which achievement has been mixed with disappointment. Like many other Canadian businesses we began last year in the hopeful expectation that the predicted upturn in the economy would affect our activities favourably. Indeed, improved results were obtained in our oil and gas and hotel operations in particular. However the continued strength of the Canadian dollar coupled with low prices for lead, zinc, pulp and paper seriously reduced our earning capacity, and in the last half of the year, the imposition of the United States import surcharge was also a serious handicap to us. Indeed 1971 represented a low point in the company's overall returns. We believe, however, that 1972 gives solid evidence of a turnaround in the company's economic cycle and we are forecasting improved results for the shareholders.

Figures for the first quarter of 1972 show total consolidated income of \$10.0 million. This represents an increase of \$2.0 million over the same period in 1971 or about 25%. After making provision for the preferred dividend and after including extraordinary items, consolidated net income is equal to 18¢

per common share as compared to 13¢ in the same period last year. 1972 to date, records an increase in oil and gas production. Prices of lead and zinc have improved. The demand for lumber is strong. Real estate operations show satisfactory gains. While on the other hand, pulp and paper returns are somewhat lower than last year as is indicated by the results from Great Lakes Paper and from the forest industry sector of our investment portfolio. On the whole, however, the first quarter is substantially better in 1972 than in 1971 and we expect that this trend will be maintained for the balance of the year.

The report for the first quarter is being released today and will be mailed to shareholders together with an account of these proceedings. I now turn to a more detailed comment on our major areas of activity.

Energy

The higher gas and oil production achieved by PanCanadian has resulted in improved earnings from operations for the first quarter, amounting to \$4.8 million for an increase of \$300,000 over the same period last year. Price increases for gas are being freely predicted as necessary to stimulate the search for new reserves. Indeed, an important study on this question is being conducted by the public authorities in Alberta. Higher prices for newly discovered gas are now in sight. Many of our existing gas contracts are due to be reopened in the next eighteen months and we may expect to obtain further price improvements in that period as new agreements are reached.

PanCanadian is broadening its prospective acreage in offshore locations. Together with their partners, an interesting position has been obtained in the North Sea exploration area. Considerable acreage has also been taken up in Italy and offshore in the Tyrrhenian and Adriatic seas. We are much encouraged by last February's oil discovery in the Arctic islands. With a net CPI participation in Panarctic of about 13%, our stake in the ultimate success of their operations is evident. The value of this investment will, we believe, be of increasing significance.

Our coking coal operation at Fording is beginning shipments of good quality product to Japan this month. Notwithstanding the persistence of start-up problems essentially normal in character, Fording expects to meet its delivery schedules on time.

The inflation in costs that has taken place since the sales contract was concluded in 1969 has badly eroded the profitability of this project. Negotiations will soon be commenced with Fording's customers in an effort to secure a realistic price adjustment.

You will have noticed a reference in our annual report to negotiations to sell 40% of CanPac Minerals to Cominco. CanPac Minerals is an exploration company principally engaged in the development of CPI's large coal reserves. Joining forces with Cominco in this operation will make it possible to rationalize our overall coal interest under one general management.

Metals, Fertilizers and Chemicals

Net earnings of Cominco for the first three months of 1972 have just been reported at \$5.6 million, an increase of \$2.9 million over the previous year. Cominco report a general improvement in the markets for some of their principal products such as lead, zinc and fertilizer and that substantially improved earnings may be expected for 1972.

Through its new venture in Aberfoyle in Australia, Cominco has acquired a useful diversification into tin and tungsten production as well as a significant exploration base in that continent. Its metallurgical and research expertise is of basic importance especially in the face of increasing environmental concern and the need for more efficient processing methods. In the present state of the market for refined zinc, Cominco's completely modernized smelter at Kimberley — the largest of its kind in the western world — is worthy of note. The company is also developing major new reserves of lead and zinc that are a pledge of future growth. An important high quality deposit has been assured at the Greenex site. A prospect of major size and high quality is under investigation at little Cornwallis Island in the Canadian Arctic. When market conditions are favourable, the move into copper production at Valley Copper is also contemplated. It is evident that Cominco is entering a new period of growth with important implications for its contribution to the income of CPI. It is possible however that labour negotiations scheduled for mid-1972 may affect near term results.

Forest Products

Our timberland operations show a profit of \$634,000 for the first quarter of 1972 which compares with a loss of \$127,000 in the same period last year. The boom in home construction both in Canada and the United States has resulted in strong demand and good prices for both logs and lumber. We expect this situation will continue for the balance of 1972. Pacific Logging is interested in a new sawmill being built at Ladysmith, British Columbia, which is expected to begin operations shortly. The mill is designed to utilize a percentage of logs not previously milled which will make it possible to secure a higher utilization in logging activities. Results expected for the full year should be substantially better than 1971 provided that labour negotiations now under way in the forest industry do not adversely affect these operations.

Our pulp and paper interests, through Great Lakes Paper, have had a difficult first quarter. Great Lakes reported a net loss of \$112,000 for the first quarter compared to a profit of \$323,000 in the same period last year. Shipments of newsprint were below that of the same period last year. A principal obstacle facing the company arises from the continued strength and high level of the exchange value of the Canadian dollar.

Great Lakes is making strenuous efforts to improve efficiency and to reduce costs. As part of its endeavours, a new mill wood handling system has been installed. The system became operational this month and is working satisfactorily. It is expected that the balance of the year will show an improved trend over the first quarter.

Hotels and Restaurants

The first quarter results of our hotel operations amounted to \$115,000, down slightly from the same period last year. The strikes of the airport controllers and technicians early this year were reflected in low occupancy at some of our hotels and in the virtual shutdown of our flight kitchens for a short period. The expansion of the hotel chain continues. The Red Oak Inn at Brandon, Manitoba will open its doors to guests within the next thirty days. The construction of the Chateau Halifax in Halifax, Nova Scotia has begun. The Royal York in Toronto expects to face strong competition in the near future as several large new hotels will begin operations there this year. A multi-million dollar investment is being made at the Royal York to renovate its bedrooms and to modernize its public facilities to enable it to meet that competition effectively. Similarly, plans are being made to refurbish the Château Frontenac in Quebec City. While these expenditures will reduce hotel profits in the short run, we expect they will help improve profits in the long term.

I should also like to inform shareholders that Mr. Donald W. Curtis has joined CP Hotels Limited as president and chief executive officer. We feel that he leads a strong team in the continuing development of our hotel system.

Real Estate and Related Activities

Results for the first quarter for real estate and related activities are recorded at \$796,000, representing an increase of \$533,000 over the first quarter of 1971. Topping-off ceremonies at the Project 200 — Granville Square in Vancouver were held last week. This large project is on target both as to cost and timing and rentals are proceeding well. The Windsor Station development in Montreal for which Marathon Realty is acting as manager will begin construction in mid-summer. Here in Calgary we are gratified to have a share in the Calgary convention centre and we expect site clearance to commence this year. Although Palliser Square has still to be fully leased, we believe it to be one of the finest developments of its kind in Canada. Marathon is continuing work on a range of promising developments across the country. Not all of these will be started this year but a shopping centre and a residential development are planned to begin. We expect Marathon to show a good improvement in profit in 1972 over 1971.

Investment Portfolio

Investment income for the three month period amounted to \$1,645,000 down from \$1,966,000 in the same period of 1971. The decrease is mainly accounted for by lower dividends from some of our pulp and paper holdings and to reduced interest income on our lower temporary cash position.

During the quarter, the company increased its holding in TransCanada PipeLines through the investment of \$3.5 million in the new issue of convertible preferred shares.

Outlook

Overall I share the general opinion that 1972 will be a year of continuing and steady growth for the Canadian economy. It is true that labour negotiations with their associated inflationary problems lie ahead. However, I expect that the favourable development of the economy will be fully reflected in CPI profits for 1972 and that it will re-establish an upward trend in the earnings of your company.

There is, however, one important area of concern to be mentioned: that is the strength of the Canadian dollar or, to put it another way, the weakness of the United States dollar. An important part of our activities involve the export of minerals and forest products to the United States. A one cent change in the Canada/United States dollar relationship has a significant effect on CPI profits. Should the Canadian dollar rise in relationship to the United States dollar, our profits from exports to that country decrease. Conversely, if the Canadian dollar weakens these profits increase. In this sense CPI shares the fortunes of many Canadian exporters and of those hundreds of thousands of Canadians who earn their living from exports.

The possibility of a further short term increase in the value of the Canadian dollar over the United States dollar casts a shadow over our predictions for 1972.

International currency values are obviously matters beyond the control of a company like ours. What is within our control are those measures that ingenuity and the drive to "work smarter" make possible in improving efficiency and maximizing opportunity. The directors and the staff of CPI and of our associates are alive to the importance of responding constructively to that challenge.

Canadian Pacific Investments Limited

Report for the six months ended June 30, 1972

Canadian Pacific Investments Limited

Report for the six months ended June 30, 1972

AUG 11 1972

To the Shareholders:

Consolidated net income for the first six months of 1972 amounted to \$21.6 million, an increase of \$3.7 million over the same period last year, confirming the upward trend which became apparent in the first quarter. Net income per common share, after preferred dividends, was 38¢ compared with 31¢ a year ago.

Earnings from operations, notably timberlands and real estate, were up substantially. Equity in income of non-consolidated subsidiaries was also higher because of the increased earnings of Cominco Ltd., due mainly to improved prices and increased sales volume for lead and zinc.

The regular half-yearly dividend on the 4 3/4% preferred stock was paid on May 1, and a dividend of 23¢ per share on the common stock, the same amount as for the first half of 1971, was paid on July 28.

Arrangements have been completed for the sale of forty percent of the Company's shares in wholly-owned CanPac Minerals Limited to Cominco Ltd. The sale price of \$8 million will be paid by the issuance to the Company of 271,370 unissued common shares of Cominco. Cominco will manage CanPac Minerals and will be responsible for the development and operation of the mining interests of the Company.

The Company became a participant in the Gas Arctic-Northwest Project Study Group which is undertaking planning for construction and operation of a gas pipeline from Northern Alaska and Northwestern Canada to locations on Canada's southern border with the United States.

Changes in the investment portfolio in the first six months of 1972 included the purchase of 70,000 shares of Trans-Canada PipeLines convertible second preferred shares Series "A", the sale of 68,200 common shares of that company, and the purchase of 104,700 common shares of Mac-Millan Bloedel Limited.

Earnings of the Company in the final half of 1972 are expected to exceed those of the same period of last year. Increased income from operations is expected from oil and gas, timberlands and real estate. Cominco is looking for continued improvement in its results. The outlook for the Company's natural resource interests would be more favourable were it not for the strength of the Canadian dollar.

Gregor P. Boles
President

Montreal, August 3, 1972.

Subject to audit

Figures in thousands,
except amounts per share

Statement of Consolidated Income	1972	1971
Oil, gas and other minerals*	\$ 7,004	\$ 6,745
Timberlands and related facilities	1,928	654
Real estate and related operations	1,663	747
Hotels and restaurants	922	877
Financing	74	69
Investment income	6,813	6,590
Net income from operations (after income taxes of 1972 - \$6,866,000; 1971 - \$5,426,000)	<u>18,404</u>	15,682
Equity in income of subsidiaries not consolidated in excess of dividends included above	<u>3,329</u>	1,572
Income before extraordinary items	<u>21,733</u>	17,254
Extraordinary items*	<u>(120)</u>	636
Net income	<u>\$21,613</u>	\$17,890
Earnings per common share		
Income before extraordinary items	39¢	29¢
Net income	38¢	31¢

Statement of Consolidated Source and Application of Funds	1972	1971
Source of Funds		
Funds from operations*	\$33,678	\$29,719
Sale of investments (cost)	4,499	20,154
Capital stock issued	3	9
Increase in long term debt	36,877	2,968
Proceeds from disposal of properties	3,860	861
	<u>\$78,917</u>	\$53,711
Application of Funds		
Additions to investments	\$ 8,047	\$ 2,683
Additions to properties	21,492	18,934
Dividends declared	13,879	13,877
Sundries (net)	8,574	4,850
Increase in working capital	26,925	13,367
	<u>\$78,917</u>	\$53,711

*After minority interest
Extraordinary items comprise, in 1972, gain on disposal of investments, \$474,000, and equity in loss on disposal of a mill by Cominco Ltd., \$594,000; and, in 1971, gain on conversion of bank loan from United States to Canadian currency, \$357,000; and equity in reduction in income taxes of a subsidiary of Cominco Ltd., resulting from losses and tax credits of prior years, \$279,000.

Canadian Pacific Investments Limited

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Rapport du semestre terminé le 30 juin 1972

Rapport du semestre terminé le 30 juin 1972

Aux actionnaires

Le revenu net consolidé pour les six premiers mois de 1972 s'est chiffré à \$21,6 millions, soit une augmentation de \$3,7 millions en regard de la même période l'an dernier, ce qui confirme la tendance ascendante qui s'était manifestée au cours du premier trimestre. Le revenu net par action ordinaire, après les dividendes privilégiés, était de 38¢ comparativement à 31¢ il y a un an.

Les bénéfices de l'exploitation, notamment celle des forêts et biens immobiliers, étaient sensiblement à la hausse. La quote-part du revenu des filiales non consolidées était aussi plus élevée vu une hausse des bénéfices de Cominco Ltée due principalement à de meilleurs prix et un accroissement du volume des ventes de plomb et de zinc.

Le dividende semi-annuel sur les actions privilégiées de 4 3/4% a été payé le 1^{er} mai et un dividende de 23¢ par action ordinaire, même montant que celui du premier semestre de 1971, a été payé le 28 juillet.

Les dispositions ont été prises pour la vente à Cominco de quarante pour cent des actions que détiennent la Compagnie dans CanPac Minerals Limited, filiale en toute propriété. Le prix de vente de \$8 millions sera payé par la délivrance à la compagnie de 271,370 actions ordinaires de Cominco à la souche. Cominco administrera CanPac Minerals et sera responsable de la mise en valeur et de l'exploitation des intérêts miniers de la Compagnie.

La Compagnie s'est jointe au groupe du projet gazier construction et d'exploitation d'un gazoduc reliant le nord de l'Alaska et le nord-ouest du Canada et des localités en bordure de la frontière qui sépare le sud du Canada des Etats-Unis.

Des modifications dans le portefeuille de placements au cours des six premiers mois de 1972 comprennent l'achat de 70,000 actions de TransCanada PipeLines privilégiées de second rang convertibles, série "A", la vente de 68,200 actions ordinaires de cette compagnie et l'achat de 104,700 actions ordinaires de MacMillan Bloedel Limited.

Les bénéfices de la compagnie au cours du dernier semestre de 1972 devraient excéder ceux de la même période l'an dernier. Une hausse du revenu devrait provenir des exploitations pétrolière, gazière, forestière et immobilière. Cominco recherche une amélioration soutenue de son rapport financier. Les perspectives pour les intérêts de la compagnie touchant les ressources naturelles seraient plus favorables si ce n'était le raffermissement du dollar canadien.

Etat du revenu consolidé

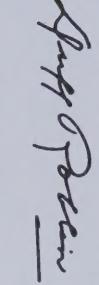
	1972	1971	
Pétrole, gaz et autres minéraux*	\$ 7 004	\$ 6 745	() Indique une perte
Exploitation forestière et installations connexes	1 928	654	
Exploitation immobilière et exploitations connexes	1 663	747	*Après intérêt minoritaire
Hôtels et restaurants	922	877	
Financement	74	69	
Revenu de placement	<u>6 813</u>	<u>6 590</u>	
Revenu net provenant de l'exploitation (déduction faite des impôts sur le revenu 1972 - \$6 866,000; 1971 - \$5,426,000)	18 404	15 682	
Quote-part du revenu des filiales non consolidées en plus des dividendes inclus ci-haut	<u>3 329</u>	<u>1 572</u>	
Revenu excluant les revenus exceptionnels	21 733	17 254	
Revenus exceptionnels*	<u>(120)</u>	<u>636</u>	
Revenu net	<u>\$21 613</u>	<u>\$17 890</u>	
Bénéfices par action ordinaire	39¢	29¢	
Revenu excluant revenus exceptionnels	38¢	31¢	
Revenu net	<u>\$78 917</u>	<u>\$53 711</u>	

Etat consolidé de provenance et d'emploi des fonds

	1972	1971	
Provenance des fonds			
Fonds provenant de l'exploitation*	\$33 678	\$29 719	
Vente de placements (cout)	4 499	20 154	
Capital-actions émis	3	9	
Augmentation de la dette à long terme	36 877	2 968	
Produit de la vente d'immobilisations	3 860	861	
Emploi des fonds			
Achat de placements	\$ 8 047	\$ 2 683	
Acquisitions d'immobilisations	21 492	18 934	
Dividendes déclarés	13 879	13 877	
Divers (net)	8 574	4 850	
Augmentation du fonds de roulement	<u>26 925</u>	<u>13 367</u>	
	<u>\$78 917</u>	<u>\$53 711</u>	

*Revenu net avant mise en compte de la quote-part du revenu des filiales en propriété partielle (en surplus des dividendes reçus), dépréciation, épuisement, amortissement, impôts sur le revenu différés et intérêt minoritaire du revenu de la filiale.

Président-directeur général



Montréal, le 3 août 1972

Président



Montréal, le 3 août 1972

Sous réserve de vérification
Chiffres en milliers sauf
les montants par action

*Après intérêt minoritaire
Le poste des revenus exceptionnels tiennent compte, en 1972, du gain de \$3474 000 réalisé à la cession d'investissements, de la quote-part de la perte subie à la vente d'une partie par Cominco Ltée, \$394 000; et en 1971, du gain de \$357 000 réalisé par la conversion de monnaie des Etats-Unis en monnaie du Canada d'un prêt bancaire, et de la quote-part à la baisse d'impôts sur le revenu d'une filiale de Cominco Ltée, résultant de pertes et crédits fiscaux d'années antérieures, de \$2279 000.

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Notice of Annual Meeting of Shareholders

The Annual Meeting of the Shareholders of Canadian Pacific Investments Limited will be held on Monday, April 24th, 1972, at The Palliser Hotel, Calgary, Alberta, at 11:00 A.M. (local time), for the following purposes:

- a. to receive the Report of the Directors, accompanying Consolidated Financial Statements and Report of the Auditors thereon, for the year ended December 31st, 1971;
- b. to consider and, if deemed fit, to confirm By-law No. 11, enacted by the Board of Directors on March 21st, 1972, being a by-law amending General By-law No. 1, as set forth in the Information Circular;
- c. to elect Directors;
- d. to appoint the Auditors and to authorize the Board of Directors to fix their remuneration; and
- e. to transact such other business as may properly come before the meeting.

The Board of Directors has by resolution fixed the time, before which proxies to be used at the Annual Meeting or any adjournments thereof must be deposited at Montreal, P.Q., with the Company or the Montreal Trust Company as Agent for the Company, at twenty-four hours, excluding Saturdays and holidays, preceding the Annual Meeting or any adjournments thereof.

By order of the Board,
J. C. Ames, Secretary.

Montreal, March 21st, 1972.

Note: If you are unable to attend the meeting in person, please complete and return the enclosed form of proxy.

Information Circular

(Dated as of February 29th, 1972)

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by the Management of Canadian Pacific Investments Limited of proxies for use at the Annual Meeting of Shareholders of the Company to be held on Monday, April 24th, 1972, at The Palliser Hotel, Calgary, Alberta, and at any adjournments thereof. The total cost of solicitation will be borne by the Company.

Appointment and Revocation of Proxies

At all meetings of Shareholders of the Company every Shareholder is entitled to give one vote for each share then held by him and such vote may be given in person or by proxy whether or not such proxy is himself a Shareholder.

A Shareholder giving a proxy may revoke the proxy by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of such meeting on the day of the meeting, or adjournment thereof.

Voting Shares as Specified

Shares represented by properly executed proxies in favour of the persons designated thereon will be voted or withheld from voting, as specified therein, on any ballot that may be called for and, where the shareholder executing such proxy specifies a choice with respect to any matter to be acted upon, such shares will be voted in accordance with any specification so made. IN THE ABSENCE OF SUCH SPECIFICATION SUCH SHARES WILL BE VOTED "FOR".

UNLESS IT IS SPECIFIED IN THE PROXY THAT SUCH SHARES SHALL BE WITHHELD FROM VOTING SUCH SHARES WILL BE VOTED, ON ANY BALLOT THAT MAY BE CALLED FOR, FOR THE ELECTION AS DIRECTORS OF THE PERSONS DESIGNATED IN THIS INFORMATION CIRCULAR AS NOMINEES FOR SUCH OFFICE AND FOR THE APPOINTMENT OF PRICE WATERHOUSE & CO. AS THE AUDITORS.

Exercise of Discretion by Proxies

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the date of this Information Circular, the Management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

Voting Shares

On February 29th, 1972, the Company had outstanding 50,123,049 Common Shares without nominal or par value, each carrying one vote, and 4,945,093 4 3/4% Cumulative Redeemable Convertible Voting Preferred Shares, Series A, each carrying one vote. The Company has not fixed a record date and, in accordance with the Canada Corporations Act, Section 105(5), the failure of any shareholder of the Company to receive a notice of the time and place for holding a meeting of shareholders of the Company does not deprive the shareholder of a vote at the meeting if the shareholder is registered on the books of the Company at least forty-eight hours, excluding Saturdays and holidays, before the time set for the meeting. As of February 29th, 1972, Canadian Pacific Limited owned 50,000,000 Common shares representing 90.79% of the voting rights attached to all equity shares of the Company.

By-law Amendment

By-law No. 11 which was enacted by the directors on March 21st, 1972 will be submitted for approval by a majority vote of shareholders present or represented by proxy at the Annual Meeting. This by-law amends General By-law No. 1 by deleting from Item 23 thereof provisions relating to directors who have interests in contracts or proposed contracts with the Company which are unnecessary by reason of Section 98 of the Canada Corporations Act, reference to which has been added.

Election of Directors

The by-laws of the Company provide that the Board of Directors shall consist of nine Directors. Each Director elected will hold office until the next Annual Meeting of Shareholders and until his successor is duly elected. The persons listed on the following page, except Mr. F. S. Burbidge who is not now a Director, will retire as Directors at the forthcoming Annual Meeting on April 24th, 1972 and they are eligible and will be nominated for re-election. Mr. Burbidge will also be nominated for election as a Director. The Management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Information, as of February 29th, 1972, as to the nine nominees is as follows:

Names of Nominees and Offices held in Company	Date on which present term of office expires	Principal occupation or employment	Director since	Equity Securities of Canadian Pacific Investments Limited or its subsidiaries beneficially owned
*W. A. Arbuckle	April 24, 1972	Chairman of the Canadian Board, The Standard Life Assurance Company, Montreal.	1964	2,750 C.P. Investments Limited Pfd. Shares, Series A and 2,750 Share Purchase Warrants 1,000 Cominco Ltd. Common Shares
F. S. Burbidge		Vice-President of the Company, Canadian Pacific Limited, Montreal.		200 C.P. Investments Limited Pfd. Shares, Series A 50 Cominco Ltd. Common Shares
*A. M. Campbell	April 24, 1972	Chairman and Chief Executive Officer, Sun Life Assurance Company of Canada, Montreal.	1962	2,600 C.P. Investments Limited Pfd. Shares, Series A and 2,500 Share Purchase Warrants
R. Hendricks	April 24, 1972	Chairman and Chief Executive Officer, Cominco Ltd., Vancouver, engaged in the business of mining, metals, chemicals, and fertilizers.	1967	400 C.P. Investments Limited Pfd. Shares, Series A 1,350 Cominco Ltd. Common Shares
S. E. Nixon	April 24, 1972	Director, Dominion Securities Corporation Limited, Montreal, engaged in the investment field.	1962	1,000 C.P. Investments Limited Pfd. Shares, Series A and 1,000 Share Purchase Warrants 100 Cominco Ltd. Common Shares
H. M. Pickard, Executive Vice-President	April 24, 1972	Executive Vice-President, Canadian Pacific Investments Limited, Calgary.	1970	1,700 C.P. Investments Limited Pfd. Shares, Series A 100 Cominco Ltd. Common Shares 301 PanCanadian Petroleum Limited Common Shares
*The Hon. Duff Roblin, P.C., C.C., President	April 24, 1972	President, Canadian Pacific Investments Limited, Montreal.	1967	200 C.P. Investments Limited Pfd. Shares, Series A 200 Cominco Ltd. Common Shares
*Ian D. Sinclair, Chairman and Chief Executive Officer	April 24, 1972	President and Chief Executive Officer, Canadian Pacific Limited, Montreal.	1962	15,000 C.P. Investments Limited Pfd. Shares, Series A 100 Cominco Ltd. Common Shares 100 The Great Lakes Paper Company, Limited Common Shares 50 PanCanadian Petroleum Limited Common Shares
G. J. van den Berg, Vice-President, Investments	April 24, 1972	Vice-President, Finance, Canadian Pacific Limited, Montreal.	1964	200 C.P. Investments Limited Pfd. Shares, Series A and 100 Share Purchase Warrants
*Member of Executive Committee		Mr. F. S. Burbidge has been a Vice-President of Canadian Pacific Limited for more than five years.		

Remuneration of Management and Others	Aggregate direct remuneration paid or payable to the Directors and to the Officers of the Company in 1971:		
	Paying Company	Paid or payable to Directors, as Directors	Paid or payable to Officers, as Officers
Canadian Pacific Investments Limited	\$18,416.67		\$130,500.00
PanCanadian Petroleum Limited	10,350.00		2,600.00
Cominco Ltd.	23,600.00		139,196.88
Midland Simcoe Elevator Company, Limited	800.00		—
The Great Lakes Paper Company, Limited	4,600.00		—
Pine Point Mines Limited	1,600.00		—
West Kootenay Power and Light Company, Limited	200.00		5,500.00

Remuneration of
Management and Others
(Cont'd.)

Interest of Management
and Others
in Material Transactions
during
period January 1, 1971 –
February 29, 1972

The estimated aggregate cost to the Company and its subsidiaries in 1971 of all pension benefits proposed to be paid under any normal pension plan in the event of retirement at normal retirement age, directly or indirectly, by the Company or any of its subsidiaries to the persons mentioned in the foregoing table was \$7,830.

Canadian Pacific Investments Limited (CPI)

CPI acquired an additional 105,545 shares, at \$10.00 per share, of the Capital Stock of Marathon Realty Company Limited and 300,000 shares, at \$10.00 per share, of the Capital Stock of CanPac Minerals Limited, wholly-owned subsidiaries.

CPI has undertaken to guarantee the short-and long-term obligations of its wholly-owned subsidiary, Canadian Pacific Securities Limited, up to an amount fixed by the Board of Directors. At February 29th, 1972, the total amount guaranteed, including accrued interest was approximately \$223,338,501.

CPI is negotiating to sell 40% of its shares in CanPac Minerals Limited to Cominco Ltd.

Canadian Pacific Securities Limited (CPSL)

During the period, loans made by CPSL to associate or affiliate companies of CPI, less loans repaid, by the respective companies, were as follows:

Marathon Realty Company Limited \$27,092,800
Pacific Logging Company Limited \$ 3,522,021

During the period, CPSL assigned to Marathon Realty Company Limited its rights and obligations under its loan contracts with the following:

Manar Properties	\$10,000,000
Summerlea Industrial Park Limited	2,814,000
Project 200 Investments Limited	1,339,800

Marathon Realty Company Limited (Marathon)

Marathon, in consideration for a loan made to Project 200 Investments Limited, an associate company, is arranging for a mortgage on certain property of Project 200 Investments Limited.

During the period, Marathon loaned \$6,000,000 to Marathon Aviation Terminals Limited to mature in 1991.

Marathon has funded \$25,000,000 of its short-term debt to mature in 1979.

Marathon has undertaken since January 1st, 1971 to guarantee certain obligations of subsidiary companies and companies in which it holds a substantial interest and the total amount so guaranteed during the period was approximately \$7,816,000.

Marathon has sold to Canadian Pacific Limited for \$4,349,583 certain lands adjacent to Windsor Station, Montreal, P.Q.

Canadian Pacific Hotels Limited (CPH)

CPH proposes to raise approximately \$20,000,000 in 1972 by means of a long-term debt issue, the proceeds of which will be used partly to reduce that Company's short-term indebtedness and partly to provide funds for renovation and expansion of hotel facilities.

Cominco Ltd. (Cominco)

Fording Coal Limited has converted its line of credit with Canadian chartered banks totalling \$60,000,000 from U.S. to Canadian funds and loans made pursuant thereto are guaranteed 60% by CPI and 40% by Cominco.

Price Waterhouse & Co. have served as Auditors of the Company for more than five years and will be nominated for reappointment to the office of Auditors of the Company for a term expiring at the close of the next Annual Meeting of Shareholders to be held in 1973, at a remuneration to be fixed by the Board of Directors.

Dated at Montreal, P.Q., as of February 29th, 1972.

Appointment of Auditors

Fait à Montréal, Québec, le 29 février 1972.

Designation des vérificateurs

Price Waterhouse & Cie sont les vérificateurs de la Compagnie depuis plus de cinq ans et la conduction de leurs fonctions sera proposée pour l'exercice se terminant à l'issue de la prochaine assemblée générale annuelle des actionnaires de 1973, à une rémunération à fixer par le conseil administratif.

Fording Coal Limited a converti en monnaie canadienne sa marge de crédit de \$60 000 000 en devises américaines auprès des banques à charre canadiennes et les emprunts faits à ce titre sont garantis à 60% par CPI et à 40% par Cominco.

Cominco Ltée (Cominco)

CPH se propose de mobiliser environ \$20 000 000 en 1972 au moyen d'un emprunt à long terme dont

Canadian Pacific Hotels Limited (CPH)

Marathon a vendu à Canadian Pacific Limited moyennant \$4 349 583 certains terrains avoisinant la gare Windsor, à Montréal, Québec.

1972, cette garantie s'élève à environ \$7 816 000.

Marathon a décidé, à compter du 1^{er} janvier 1971, de garantir certains engagements financiers de filiales et de sociétés dans lesquelles elle détient une participation importante. Jusqu'au 29 février

Marathon a consolidé \$25 000 000 de sa dette à court terme à échéance en 1979.

Au cours de la période considérée, Marathon a consenti un prêt de \$6 000 000 à Marathon Aviation

Terminals Limited, venant à échéance en 1991.

Pour garantir un prêt consenti à Project 200 Investments Limited, Société affiliée, Marathon doit

prendre une hypothèque sur certains biens de Project 200 Investments Limited.

Marathon Realty Company Limited (Marathon)

Project 200 Investments Limited	1 339 800
Summerlea Industrial Park Limited	2 814 000
Manar Properties	\$10 000 000

Au cours de la période, CSL a cédé à Marathon Realty Company Limited ses droits et obligations aux termes des contrats de prêts consentis aux compagnies suivantes:

Marathon Realty Company Limited	\$ 27 092 800
Pacific Logging Company Limited	\$ 3 522 021

CPI, déduction faite des remboursements de prêts antérieurs, se reporteraient comme suit:

Pour la période considérée, les prêts consentis par CSL aux compagnies associées ou affiliées à

Canadian Pacific Securities Limited (\$ 3 522 021)

Marathon Realty Company Limited \$ 27 092 800

CPI est en pourparlers pour vendre 40% de ses parts de Canpac Minerals Limited à Cominco Ltée.

CPI s'est engagé à garantir les obligations à court et à long terme de sa filiale en toute propriété, CSL a acheté 105 545 actions de plus, à \$10 l'une, du capital-actions de Marathon Realty Company Limited et 300 000 actions, à \$10 l'une, du capital-actions de Canpac Minerals Limited, filiales en toute propriété.

CPI a acheté 105 545 actions de plus, à \$10 l'une, du capital-actions de Canpac Minerals Limited, filiales en toute propriété.

Canadian Pacific Investments Limited (CPI)

Le coût estimatif global pour la Compagnie et ses filiales, au cours de l'année 1971, de toutes les prestations de pension due se propose de payer en vertu d'un régime normal de pension avantageant la retraite à l'âge normal de la retraite, directement ou indirectement, la Compagnie ou l'une quelconque de ses filiales aux personnes mentionnées sur le tableau ci-dessus, s'est élevée à \$7 830,00.

Activités du groupe pendant au 29 février 1972

la période du 1^{er} janvier 1971

du conseil d'administration et des membres

de la haute direction

(suite)

au 29 février 1972, sur les neuf candidats:

le droit de voter pour d'autres candidats de leur choix. Voici les renseignements, en notre possession

l'assemblée générale, pour quelques raisons que ce soit, les titulaires sont évidemment ci-jointe au tout

les fonctions de membre du conseil d'administration mais si l'on devraient incapables avant

candidat au conseil d'administration. La direction estime que les candidats sont dignes d'occuper

et, comme elles sont rééligibles, leur reélection sera également du 24 avril 1972

membre du conseil, voient leur mandat s'achever à l'assemblée générale annuelle du 24 avril 1972

figurant à la page suivante, à l'exception de M. F. S. Burridge qui n'est pas présentement

nomé figurent à la page suivante, à l'exception de M. F. S. Burridge qui n'est pas présentement

générale annuelle et jusqu'à ce que leur successeur soit régulièrement élu. Les personnes dont les

membres du conseil d'administration compte neuf membres. Une fois élus,

selon les statuts de la Compagnie, le conseil d'administration compte neuf membres. Une fois élus,

soit sur les corporations canadiennes, dont on a ajouté la mention.

pour approbation à la majorité des voix, aux actionnaires présents ou représentés à l'assemblée

générale annuelle. Ce règlement modifie le règlement précédent en fonction jusqu'à la prochaine assemblée

des dispositions concernant les membres du conseil possédant des intérêts dans des corporations ou

projets de corporations avec la Compagnie, qui n'ont plus de raison d'être au sens de l'article 98 de la

ordinaires représentant 90,79% des droits de vote différents à toutes les actions donnant droit de

de l'assemblée. Au 29 février 1972, Canadian Pacific Limited possède 50 000 000 d'actions

au moins quarante-huit heures, sans compter les sommes et jours fériés, avant l'heure d'ouverture

conservé son droit de vote à l'assemblée à condition de s'être inscrit aux régiſtres de la Compagnie

indiquant le moment où il a été adopté par le conseil d'administration des actions de la Compagnie, il

comparative n'a pas fixé de date limite d'inscription et, aux termes de la loi sur les corporations

et convertibles à dividende cumulatif de 4 3/4%, série A, donnant droit à une voix chacune. La

nominal au pair donnant droit à une voix chacune et 4 945 093 actions privilégiées rachetables

au 29 février 1972, la Compagnie avait en circulation 50 123 049 actions ordinaires sans valeur

et être saisie, ni de question où ne soit prévue à l'ordre du jour.

de la Compagnie n'a connaissance d'aucun amendement ou modification d'information, la direction

générale peut normalement être saisie. À la date de la présente circulaire dont l'assemblée pourra

appartenir aux questions à l'ordre du jour, ainsi que sur les autres questions dont l'assemblée

la procuration donne au mandataire pouvoir de se prononcer sur les modifications au amendements

droit de vote

mandataires

latitude laissée aux

actions comparant

circulaire d'information au conseil d'administration des candidats désignés dans la présente

élection au conseil d'administration des candidats désignés dans la présente

actions représentées seront à effet, dès toute consultation à cet effet, pour

si la procuration ne spécifie pas l'absention, les droits de vote différents aux

en qualité de vérificateurs.

aucune instruction n'est donnée, les droits de vote seront exercés dans le sens

demandées au scrutin; leur vote devra être conforme aux instructions ainsi données. Si

par scrutin pour laduelle le mandat, en établissant la procuration, aura précisé son choix sur la

des actions représentées, ou à sa demande de voter si la procuration le spécifie, à toute consultation

les mandataires désignés par procuration en bonne et due forme seront admis à voter, à proportion

de l'assemblée qui en tiendront lieu en cas d'ajournement.

être utilisée la procuration, ou remis au président de ladite assemblée le jour de l'assemblée doit

avant l'assemblée ou l'assemblée qui en tiendra lieu en cas d'ajournement, au cours de laduelle doit

autorisé, et être déposé au siège social de la Compagnie au plus tard le dernier jour ouvrable

corporatif ou de la signature d'un fonctionnaire ou d'un fondé de pouvoir de la corporation, dûment

les actions appartenant à une corporation, l'acte de revocation doit être revêtue de son sceau

la procuration est toujours révocable par acte écrit de l'actionnaire ou de son fondé de pouvoirs. Si

à toutes les assemblées générales des actionnaires de la Compagnie, chacun deux dispose d'une

voix par action et peut voter en personne ou par procuration, que le mandataire soit ou non

actionnaire de la Compagnie.

cas d'ajournement. Les frais de cette demande sont à la charge de la Compagnie.

24 avril 1972 à l'hôtel Palliser, Calgary, Alberta, et pour toutes assemblées qui se tiendront le lendemain

investissements Limité pour l'assemblée générale annuelle des actionnaires qui se tiendra le lendemain

la présente circulaire accompagne la demande de procuration de la direction de Canadian Pacific

Canadian Pacific Investments Limited

Avis aux actionnaires

L'assemblée générale annuelle des actionnaires de Canadian Pacific Investments Limited se tiendra le lundi 24 avril 1972 à l'hôtel Palliser, Calgary, Alberta, à 11 heures du matin (heure locale), pour traiter les questions suivantes:

a) Examen du rapport du conseil d'administration, ainsi que des états financiers consolidés accompagnés du rapport des vérificateurs pour l'exercice clos le 31 décembre 1971;

b) Examen, et le cas échéant, ratification du règlement no 11, adopté par le conseil d'administration le 21 mars 1972, modifiant le règlement général no 1, tel qu'exposé dans la circulaire d'information;

c) Election des membres du conseil d'administration;

d) Nominations des vérificateurs et habilitation du conseil d'administration à fixer leur rémunération;

e) Débat sur toute question dont l'assemblée peut normalement être saisie.

Le conseil d'administration a, par résolution, fixé à vingt-quatre heures, sans compter les samedis et jours fériés, précédant l'assemblée générale annuelle des actionnaires ou toutes assemblées qui en tiennent lieu en cas d'ajournement le détail de dépôt à Montréal, province de Québec, à la Compagnie ou à la Montreal Trust Company, agent de la Compagnie, des procurations à utiliser à l'assemblée générale annuelle des actionnaires ou à toutes assemblées qui en tiennent lieu en cas d'ajournement.

Par ordre du conseil d'administration

J. C. Ames
Le secrétaire,

Montréal, le 21 mars 1972

N.B. Si vous êtes impossible d'assister à l'assemblée générale, veuillez remplir la formule de procuration ci-jointe et la renvoyer.